

REFERENCE TITLE: **spending accountability and transparency act**

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HCR 2040

Introduced by

Representatives Pearce, Barnes, Burges, Kavanagh, Murphy, Yarbrough,
Senators Burns, Harper, Johnson: Representatives Anderson, Biggs, Boone,
Crump, Driggs, Farnsworth, Groe, McComish, Robson, Stump, Weiers J,
Senator Verschoor

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX,
SECTIONS 3, 4 AND 5, CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX,
CONSTITUTION OF ARIZONA, BY ADDING SECTION 3.1; RELATING TO GOVERNMENT
BUDGETING AND ACCOUNTING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Whereas, it is the intent of the legislature to establish permanent and
2 binding principles relating to the budgeting and accounting practices of this
3 state.

4 Therefore

5 Be it resolved by the House of Representatives of the State of Arizona, the
6 Senate concurring:

7 1. Article IX, section 3, Constitution of Arizona, is proposed to be
8 amended as follows if approved by the voters and on proclamation of the
9 Governor:

10 3. Truth in budgeting and accounting; balanced budget
11 requirement; taxes for payment of expenses and
12 debts; tax laws; payment of taxes into state
13 treasury

14 Section 3. A. THE LEGISLATURE SHALL ENSURE THAT:

15 1. THE STATE'S ANNUAL BUDGET IS BALANCED.

16 2. ANNUAL EXPENDITURES DO NOT EXCEED ANNUAL STATE
17 REVENUES.

18 3. CASH BALANCES AT THE END OF EACH FISCAL YEAR ARE AT
19 LEAST ONE PER CENT OF THE FISCAL YEAR STATE GENERAL FUND
20 BALANCE.

21 4. OBLIGATIONS FOR STATE OPERATIONS DO NOT EXCEED ONGOING
22 OR PERMANENT STATE REVENUES.

23 B. CASH BALANCES AT THE END OF ANY FISCAL YEAR ARE NOT
24 CONSIDERED TO BE PERMANENT REVENUES.

25 C. The legislature shall provide by law for an annual tax
26 sufficient, with other sources of revenue, to defray the
27 necessary ordinary expenses of the state for each fiscal year.
28 And for the purpose of paying the state debt, if there be any,
29 the legislature shall provide for levying an annual tax
30 sufficient to pay the annual interest and the principal of such
31 debt within twenty-five years from the final passage of the law
32 creating the debt.

33 D. No tax shall be levied except in pursuance of law, and
34 every law imposing a tax shall state distinctly the object of
35 the tax, to which object only it shall be applied.

36 E. All taxes levied and collected for state purposes
37 shall be paid into the state treasury in money only.

38 2. Article IX, Constitution of Arizona, is proposed to be amended by
39 adding section 3.1 as follows if approved by the voters and on proclamation
40 of the Governor:

41 3.1. Full disclosure of receipts and expenditures;
42 searchable database

43 SECTION 3.1. A. ON OR BEFORE JANUARY 1, 2010, THE STATE
44 TREASURER, AND THE TREASURER OF EACH COUNTY, CITY AND TOWN,
45 SHALL ESTABLISH AND MAINTAIN AN OFFICIAL INTERNET WEBSITE THAT

1 IS ELECTRONICALLY SEARCHABLE BY THE PUBLIC AT NO COST AND THAT
2 CONTAINS A DATABASE OF RECEIPTS AND EXPENDITURES OF STATE
3 REVENUES, AS DEFINED IN SECTION 17 OF THIS ARTICLE, OR LOCAL
4 REVENUES, AS DEFINED IN SECTION 20 OF THIS ARTICLE, AS
5 APPLICABLE.

6 B. THE DATABASE SHALL INCLUDE:

7 1. ANNUAL RECEIPTS OF REVENUES, INCLUDING:

8 (a) RECEIPTS OR DEPOSITS BY EACH STATE OR LOCAL BUDGET
9 UNIT INTO FUNDS ESTABLISHED IN THE STATE OR LOCAL TREASURY.

10 (b) TAXES.

11 (c) EARNINGS BY EACH BUDGET UNIT, INCLUDING AMOUNTS
12 COLLECTED FOR MERCHANDISE SOLD, SERVICES PERFORMED AND LICENSES,
13 CERTIFICATIONS AND PERMITS ISSUED.

14 (d) REVENUE FROM THE USE OF PUBLICLY-OWNED MONEY OR
15 PROPERTY, INCLUDING LEASES AND LICENSES.

16 (e) GIFTS, DONATIONS AND GRANTS RECEIVED, INCLUDING
17 AMOUNTS RECEIVED FROM THE FEDERAL GOVERNMENT.

18 (f) ANY OTHER TYPE OF PUBLIC REVENUE, HOWEVER DENOMINATED
19 OR DERIVED, DEPOSITED INTO THE STATE OR LOCAL TREASURY.

20 2. ANNUAL EXPENDITURES AND DISBURSEMENTS OF STATE OR
21 LOCAL REVENUES BY EACH STATE OR LOCAL BUDGET UNIT FROM FUNDS
22 ESTABLISHED IN THE STATE OR LOCAL TREASURY, AS APPLICABLE,
23 INCLUDING:

24 (a) BOND PAYMENTS, DEBT SERVICE AND REDEMPTION CHARGES
25 AND FEES.

26 (b) COMPENSATION PAID TO INDIVIDUAL EMPLOYEES OF STATE OR
27 LOCAL BUDGET UNITS.

28 (c) CONTRACTUAL SERVICES AND COOPERATIVE AGREEMENTS.

29 (d) COMMODITIES.

30 (e) CAPITAL OUTLAY.

31 (f) REVENUE SHARING AND OTHER AID TO OTHER LEVELS OF
32 GOVERNMENT, INCLUDING TRIBAL GOVERNMENTS.

33 (g) ANY OTHER EXPENDITURE OR DISBURSEMENT OF STATE
34 REVENUE FROM THE STATE OR LOCAL TREASURY, HOWEVER DENOMINATED OR
35 STRUCTURED.

36 C. EXPENDITURE DATA SHALL LIST:

37 1. THE MANNER OF PAYMENT, INCLUDING CHECK, WARRANT OR
38 CREDIT, DEBIT OR OTHER PURCHASE CARD.

39 2. THE FUNDING SOURCE, INCLUDING THE CATEGORICAL CODE AND
40 THE STATE OR LOCAL ACCOUNT THE EXPENDITURE IS APPROPRIATED FROM.

41 3. THE DATE OF THE PAYMENT.

42 4. THE STATE AGENCY OR BUDGET UNIT MAKING THE PAYMENT.

43 5. THE NAME OF THE PERSON OR ENTITY RECEIVING THE
44 PAYMENT, INCLUDING A PARENT ENTITY OF THE RECIPIENT IF THE
45 RECIPIENT IS OWNED BY ANOTHER ENTITY.

1 6. THE AMOUNT OF THE PAYMENT.

2 7. A STANDARDIZED DESCRIPTIVE TITLE OF THE TYPE AND
3 PURPOSE OF TRANSACTION.

4 8. FOR CONTRACTUAL PAYMENTS PURSUANT TO GOVERNMENTAL
5 PROCUREMENT, THE LOCATION OF THE ENTITY RECEIVING THE PAYMENT
6 AND THE PRIMARY LOCATION OF PERFORMANCE UNDER THE CONTRACT,
7 INCLUDING THE COUNTY, CITY OR TOWN AND LEGISLATIVE DISTRICT.

8 D. THE DATABASE SHALL NOT INCLUDE:

9 1. INDIVIDUAL TRANSACTIONS OR CONTRACTS, OR ANY SERIES OF
10 PAYMENTS TO THE SAME INDIVIDUAL OR ENTITY, CUMULATING LESS THAN
11 TWENTY-FIVE THOUSAND DOLLARS IN THE FISCAL YEAR.

12 2. TAX PAYMENT OR REFUND DATA THAT INCLUDE CONFIDENTIAL
13 TAXPAYER INFORMATION.

14 3. DATA RELATING TO PAYMENTS OF STATE ASSISTANCE TO
15 INDIVIDUAL RECIPIENTS.

16 E. THE DATABASE SHALL INCLUDE DATA FOR FISCAL YEAR
17 2009-2010 AND EACH SUBSEQUENT FISCAL YEAR. THE DATABASE SHALL
18 BE UPDATED WITHIN THIRTY DAYS AFTER THE END OF EACH FISCAL YEAR
19 AND MAY BE UPDATED AS NEW DATA BECOME AVAILABLE. EACH STATE AND
20 LOCAL BUDGET UNIT SHALL PROVIDE TO THE TREASURER ALL DATA THAT
21 ARE REQUIRED TO BE INCLUDED IN THE DATABASE WITHIN THIRTY DAYS
22 AFTER THE DATA BECOME AVAILABLE TO THE BUDGET UNIT. THE DATA
23 SHALL BE RETAINED IN THE DATABASE FOR AT LEAST TEN FULL FISCAL
24 YEARS.

25 F. THE LEGISLATURE SHALL PROVIDE FOR THE IMPLEMENTATION
26 OF THIS SECTION BY LAW.

27 3. Article IX, section 4, Constitution of Arizona, is proposed to be
28 amended as follows if approved by the voters and on proclamation of the
29 Governor:

30 4. Fiscal year: annual statement of receipts and
31 expenditures

32 Section 4. A. The fiscal year shall commence on the
33 first day of July in each year.

34 B. An accurate statement of the receipts and expenditures
35 of the public money shall be published annually, in such manner
36 as shall be provided by law. ~~Whenever the expenses of any~~
~~fiscal year shall exceed the income, the legislature may provide~~
~~for levying a tax for the ensuing fiscal year sufficient, with~~
~~other sources of income, to pay the deficiency, as well as the~~
~~estimated expenses of the ensuing fiscal year.~~

1 4. Article IX, section 5, Constitution of Arizona, is proposed to be
2 amended as follows if approved by the voters and on proclamation of the
3 Governor:

4 5. Power of state to contract debts: purposes; limit:
5 restrictions

6 Section 5. A. The state may contract debts to supply ~~the~~
7 ~~casual deficits or~~ failures in revenues, or to meet expenses not
8 otherwise provided for; but the aggregate amount of such debts,
9 direct and contingent, whether contracted by virtue of one or
10 more laws, or at different periods of time, shall never exceed
11 the sum of three hundred and fifty thousand dollars; and the
12 money arising from the creation of such debts shall be applied
13 to the purpose for which it was obtained or to repay the debts
14 so contracted, and to no other purpose.

15 B. In addition to the above limited power to contract
16 debts the state may borrow money to repel invasion, suppress
17 insurrection, or defend the state in time of war; but the money
18 thus raised shall be applied exclusively to the object for which
19 the loan shall have been authorized or to the repayment of the
20 debt thereby created.

21 C. No money shall be paid out of the state treasury,
22 except in the manner provided by law.

23 5. This measure shall be known as the "Spending Accountability and
24 Transparency Act."

25 6. The Secretary of State shall submit this proposition to the voters
26 at the next general election as provided by article XXI, Constitution of
27 Arizona.